



# PBAS Working Group

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Investing in rural people

# Today's presentation

Recap

slides: 3

Lessons  
learnt

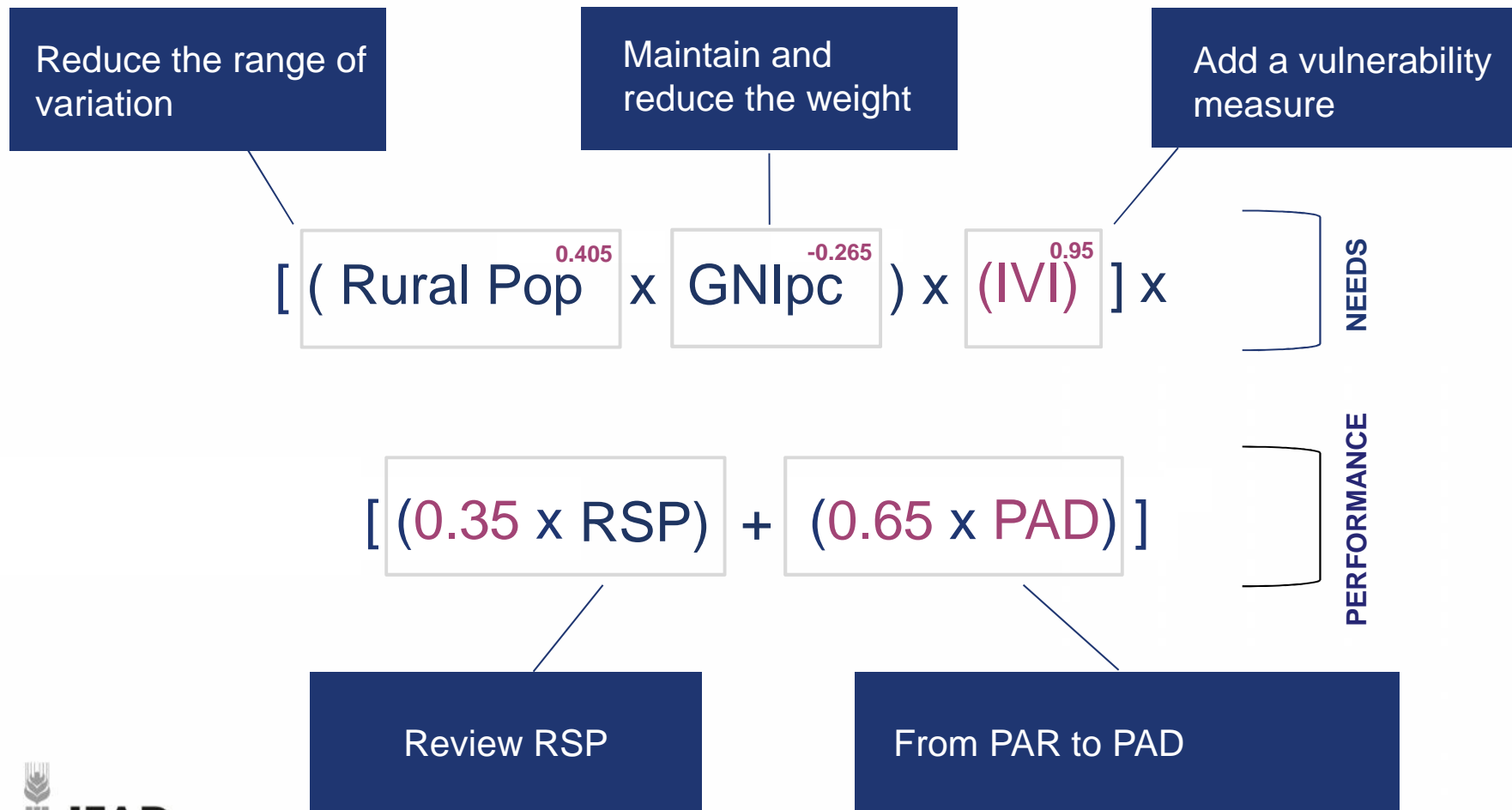
slides: 4-8

Way  
forward

slide: 9

# Recap

Formula revision



# Reallocations are a good tool ...

Lesson  
1

**Reallocations started in year 2**, providing additional resources to countries that can absorb them

Non absorptive countries are dropped earlier,  
rewarding early planners



Enable **early release** of unutilised allocations

Increased **flexibility**

# ... but there are limitations

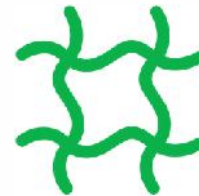
Lesson  
1



**Starting early** does not preclude the need for reallocating resources in the final year, therefore **not an efficiency gain**



**Increased variation** between initial and final allocations (+20%) may pose **planning challenge**



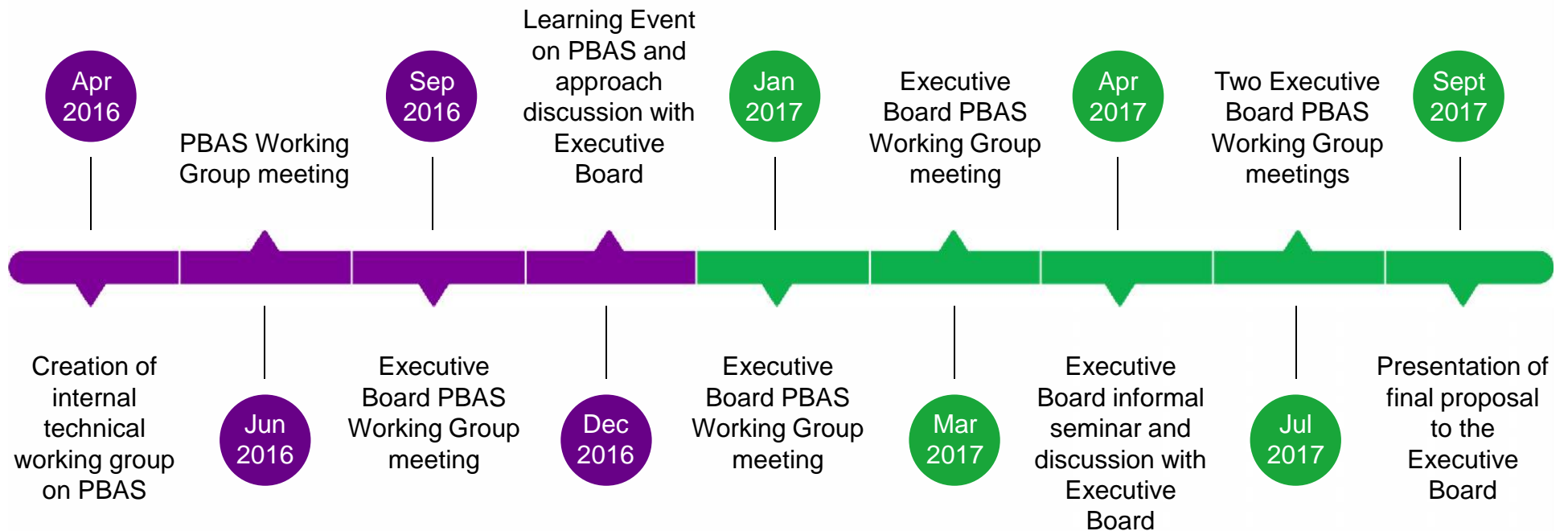
**Greater distortion** to the system **than Y3** reallocations only



In IFAD11 will have to be **limited to 10% of PoLG**

# Reviewing the PBAS takes time ...

Lesson  
2



# ... and requires careful planning

Lesson  
2



Each of the **changes** in the variables **takes time**



**Inclusion of new variables** needs to be carefully considered



While working in parallel to **implement the agreed changes** and commitments:

Africa: 45% – 50%

HC: 66% (2/3)

Fragile: 25% – 30%

Minimum: US\$4.5m

Maximum: 5% of POLG

Needs/performance balance

Country selectivity

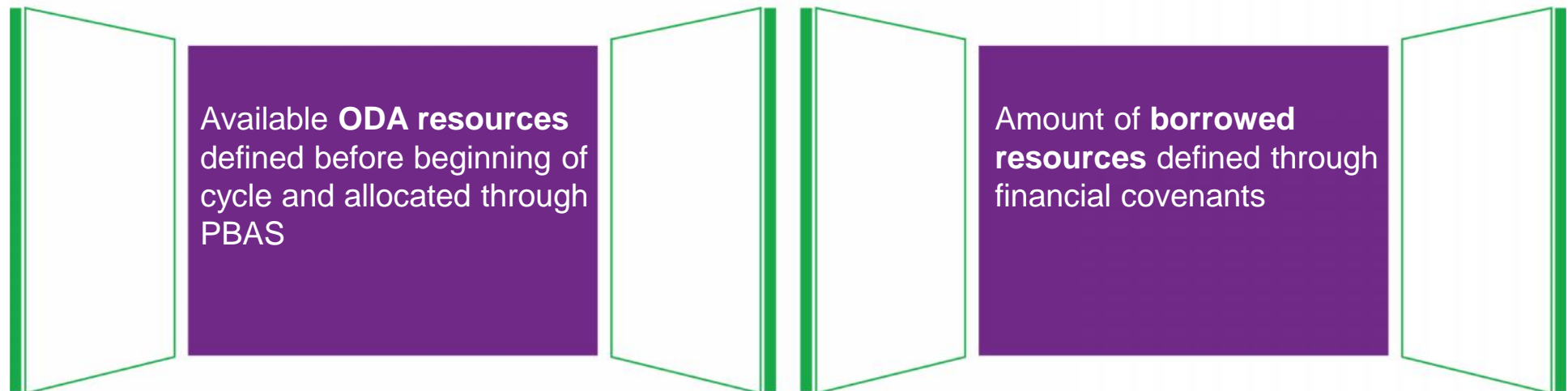
LICs + LMICs: 90%

UMICs: 10%

# Changes to the way resources are channeled ...

Lesson  
3

## IFAD12



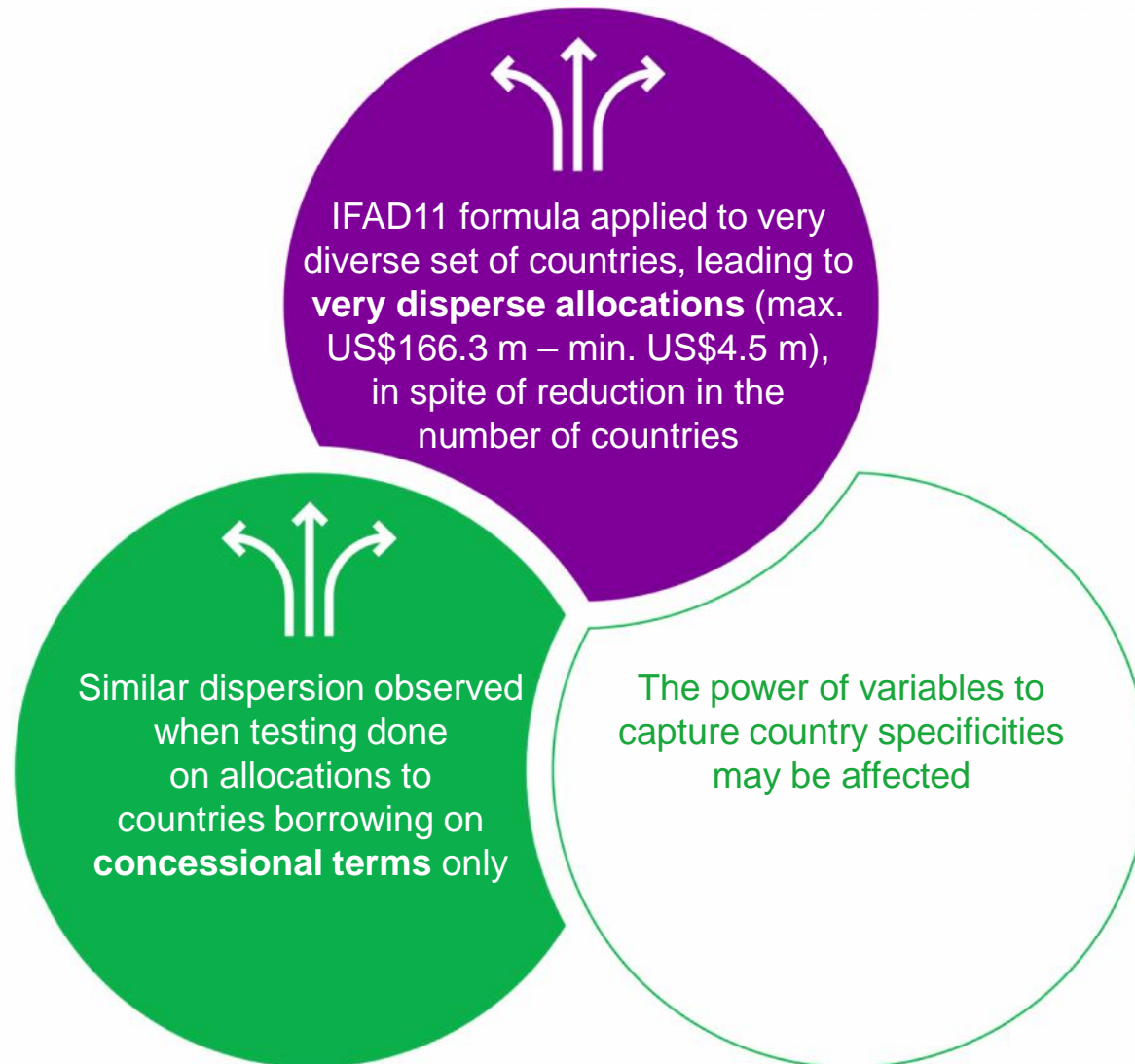
**Replenishment** to fund more concessional borrowers

**Borrowed funds** to fund mainly less concessional borrowers



# ... may have formula implications

Lesson  
3



# Work plan

Way  
forward



Explore best rationale for splitting countries in **at least two windows** (income, financing terms, other)



Explore rationale for **complementary special windows**



**Normative phase** to assess relevance and effectiveness of variables



**Quantitative phase** to determine mathematical formula

# Thank you